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To: Director - FASB
Subject: Technical Director--File Reference No. 1025-300

LETTER OF COMMENT NO. 144

Gentlemen:

As the Chief Financial Officer of a large, not-for-profit organization, I fully support the intent of this exposure draft to amend FASB Statements No. 87, 88, 106, 132 (R). The number of Defined Benefit Plans has declined approximately 75 percent in the past twenty years.

Their sensitivity to market returns and interest rate movement can significantly impact a not-for-profit entity. In addition, the generous legacy costs, sometimes contractually agreed to decades ago, and the increased average lifespan of participants has added to the liability to provide these benefits in the future. The average lifespan since 1950 has increased approximately 10 years to 78 years today. These plans' cost can negatively affect the services that not-for-profits provided to the needy constituents that they serve.

Recognizing in its statement of financial position the overfunded or underfunded status of a defined benefit postretirement plan will enhance the users' understanding of the stability and viability of the organization. Reporting the underfunded status in the footnotes may accommodate "blind awareness" that a significant "unrecorded" liability is present. Not-for-profits have many stakeholders, e.g., the individuals they serve, their community, etc., that could be adversely affected by their Board of Directors' not fully understanding the impact of a defined benefit plan on the organization and its constituents.

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